ABOUT US

MAKING THE MOST OF YOUR MONEY

Hafod is a housing association registered with the Welsh Assembly Government. We are a non-profit making organisation and operate under strict controls. We work with local authorities and other agencies to provide homes and services to people in housing need across South East Wales.

For further information about Hafod please visit our website at **www.hafod.org.uk** or phone us on **02920 675800**.

Shelter Cymru

BARCLAYS

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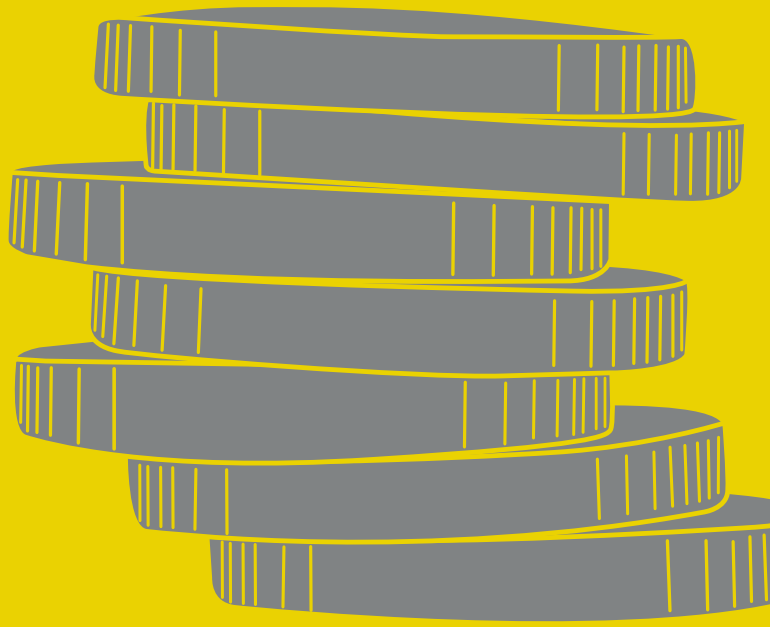
MAKING THE MOST OF YOUR MONEY

making your money go further



making a difference

ABOUT THIS BOOKLET

We're all looking for ways to save money. This publication helps you if you want to economise on everything from your weekly shopping to larger items, like electrical items and furniture.

This booklet aims to help you make the most of your money by:

- making your money go further by giving you lots of ways to make sure the money you've got goes as far as possible
- giving advice about the most cost effective ways of managing your finances

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Shelter Cymru

BARCLAYS PLC ACKNOWLEDGEMENT

We would like to thank Barclays Plc for their generous financial donation which helped pay for the research work by Shelter Cymru which has resulted in the advice in this booklet.

MAKING YOUR MONEY GO FURTHER

USING THE INTERNET TO SAVE MONEY

Using the internet can help you save money. Many people have access to the internet in their own homes but if you do not own a computer you can still access the internet from most libraries for free. You should contact your nearest library to find out more.

Some community centres, colleges and libraries offer free internet access. Alternatively, you may be able to use the facilities at your local Learndirect centre, phone 0800 101901 or visit www.learndirect.co.uk for more details.

Most towns now have internet cafés so check your Yellow Pages for details. You might be able to access the internet through your mobile phone or your television but you should contact your provider to find out how you do this and the cost.

If you are new to using the internet local colleges often hold free short courses for those who are unfamiliar with computers and there are many online courses to get you started. Visit www.learndirect.co.uk for more details.

SAVING MONEY ON YOUR FUEL BILLS AND OTHER SERVICES

There are lots of comparison websites to help you find the cheapest prices on a number of items. It makes sense to check your gas, electricity, phone and television provider prices regularly. Websites will ask for your postcode, the house size and number of occupants, who your current supplier is and how much you are paying at the moment. If you decide to switch to a cheaper supplier, you won't have to do anything; the website will set it up for you.

You should also consider changing the way you pay for your fuel bills; prepaid meters are the most expensive way to pay whereas direct debit is the cheapest.

USEFUL PRICE COMPARISON WEBSITES FOR UTILITIES:

www.buy.co.uk

www.energyhelpline.com

www.energywatch.org.uk

www.simplyswitch.com

www.theenergyshop.com

www.ukpower.co.uk

www.unravelit.com

www.uswitch.com

PRICE COMPARISON WEBSITES FOR OTHER PURCHASES

Buying through the internet can save you a fortune. Before you make a major purchase you should use the internet to research prices and consumer rights. The more research you do, the better deals you will be able to find. Useful price comparison sites:

www.pricerunner.co.uk

www.kelkoo.com

www.easyvalue.com

When you are confident with online shopping you could try an auction site such as www.ebay.co.uk and you could register your email address with suppliers and retailers for notification of discounts and offers that could save you money.

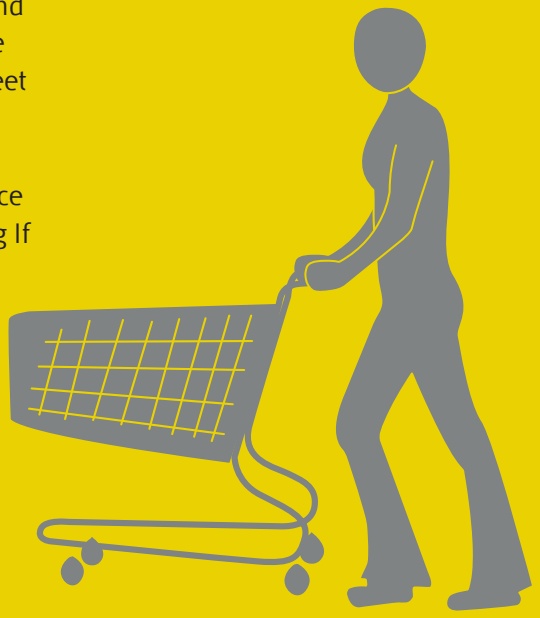
OTHER USEFUL WEBSITES:

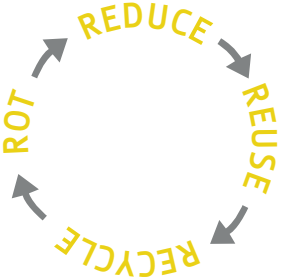
adviceguide.org.uk	Citizens Advice online
bbc.co.uk/webwise	Beginners guide to the internet
directgov.co.uk	Access your local council services
junkk.com	Exchange unwanted items
learndirect.co.uk	Online computer training
moneysupermarket.com	Compare prices for loans and insurance
tradingstandards.gov.uk	Consumer information
upmystreet.com	Local services in your area
moneysavingexpert.com	Getting the most out of your spending
freecycle.org	Recycle unwanted items
gumtree.com	Notice board
seniorconcessions.co.uk	Discounts and other concessions for senior citizens
petrolprices.com	Find the lowest price in your area
trollydolly.co.uk	Price comparisons and special offers

SAFE SURFING

Whilst buying on line can save you money you can also lose money if you are not careful. Here are tips for shopping online.

- Make sure you know the trader's full address – especially if the company is based outside the UK
- Don't assume an internet company is based in the UK just because its web address has 'uk' in it – check out the physical address and phone number
- Take into account the shipping, postage and packing costs Weigh them up against the parking and travelling costs you would have to pay if you went to the high street
- Although shopping from overseas websites is relatively safe it may be difficult to enforce your contract if things go wrong If the item or service is over £100 then consider paying by credit card as you are more likely to be protected if things go wrong
- Look for websites that have a secure way of paying known as an encryption facility to protect your personal data. These show a padlock at the bottom of the screen when you are filling in the payment details
- Check whether the company has a privacy statement that tells you what it will do with your personal information





TIPS FOR REDUCING YOUR SHOPPING BILL

If you need to economise, one of the easiest ways to save money from your expenditure is to analyse your shopping bill and make some changes to the way you shop.

- keep a food record for a week to highlight where you may be wasting food
- find out if you have a food co-op in your area. This is a simple system through which people can access fresh fruit and vegetables on a weekly basis at extremely cheap prices. Find out where your nearest food co-op is by contacting the Rural Regeneration Unit on 02920 232943 or visiting www.rru.org.uk
- make a shopping list to save you time and money. Plan your meals in advance to reduce waste
- 60% of us end up throwing away food because it has passed its 'use by' date, so plan meals with the 'use by' date in mind and make sure you know the dates in your fridge
- more than half of households say they throw away food because they've cooked too much. Making delicious meals from leftovers is a smart way to make sure you eat everything you buy
- 70% of our fridges are set at too high a temperature. Save energy and get the best from your food by setting your fridge between 1-5°C
- at least 30% of an average household bin can be composted at home. Fill your compost bin with inedible food waste such as fruit and vegetable peelings, tea bags, coffee grounds and egg shells. In addition to reducing the amount of rubbish you produce, composting creates a free, nutritious fertiliser for your garden
- find out what time your local supermarket starts to reduce the price on fresh produce, such as bread, meat etc. If you own a freezer, stock up
- look at moneysavingexpert.com for more ideas

OPTIONS	ADVANTAGES	DISADVANTAGES?
Pay As You Go	■ No monthly bill ■ No line rental ■ Easy to keep track of spending ■ No contract, easy to change provider ■ Useful for short-term phone use ■ Good for children	■ More expensive for calls and texts than contract ■ Must purchase own phone – no freebies ■ Deals not as good as contract phones ■ Can easily run out of credit
Contract	■ If you use your phone a lot, a contract offers more attractive call and text costs ■ Free phones and upgrades	■ Tied in for 12, 18 or 24 months ■ If you want to change networks you will have two bills to pay ■ If you don't use your phone enough or you can't afford to pay, you won't be able to cancel ■ If you find network coverage is poor you are still tied into the contract ■ The handsets are not really free; they are compensated for in your line rental
Fixed plans**	■ Monthly bill is fixed amount – the only way to exceed your limit is by adding a top-up ■ Easy to keep track of spending ■ Excellent for children ■ Free phones and upgrades	■ More expensive to run than regular contract phones ■ Can run out of credit ■ Tied in to contract – no cancellation ■ If network coverage is poor you are still tied in ■ Handsets are not really 'free'

** Most providers do not offer this type of plan.

MOBILE TELEPHONES

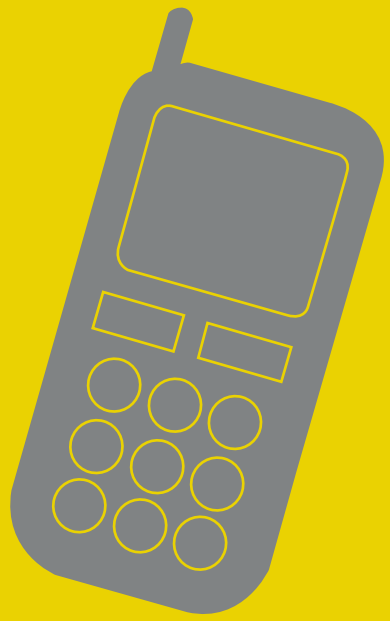
When choosing a mobile phone consider your options. This table explains the advantages and disadvantages of different payment methods.

Whether you are on a contract phone or a 'PAYG', you should try to stick to a budget. You could do this by dividing your text and talk allowance by the number of days in the month.

For example:

Talk minutes allowance = 60 minutes
120 minutes ÷ 30 days in a month
= 4 talk minutes per day

Text allowance = 500 minutes
500 ÷ 30 days = 16 texts per day



> *“if you no longer want text alerts sent to your phone, make sure you cancel the service straight away”*

MOBILE PHONE WARNINGS

Mobile phones are fun to use but without realising it they can cost you a fortune, we have provided some issues to be aware of.

- Ring tones are great for personalising your phone but sometimes when ordering a tone, you've often agreed to join a mobile club which means you might get text messages offering you more content for your mobile. Beware of incurring rolling charges. If you do want to order a tone from a club, it's important you know how much you'll be charged for everything you receive and how you can unsubscribe if you want to stop being a member
- If your phone allows you to connect to the internet check your price plan; your internet minutes are likely to be more expensive than your talk minutes
- Most mobile phone operators offer to send you the latest news headlines or football results as a text alert direct to your phone. You are charged for these separately and they're not always included as part of any free text offers you may have as part of your contract

If you no longer want text alerts sent to your phone, make sure you cancel the service straight away. Your provider or phone instruction booklet should tell you how to do this.

- It's fun to send photos and videos to friends but it's important to remember that these type of messages are not included in your monthly free text allowance and are charged on a per message basis. Speak to your provider for cheaper bundles

OTHER WAYS OF SAVING MONEY

There are some other ways of saving money online. If you cannot afford to pay someone to do a job, for example wallpapering, you will be able to find step-by-step instructions on the internet or most DIY stores. You will also be able to look for and apply for jobs and access your council services.

> “probably the simplest and cheapest way to keep warm is to layer your clothing!”

ENERGY AWARENESS
Utility bills such as water, electric and gas will make up a considerable part of your outgoings. There are two main ways of cutting your bills; changing to a cheaper supplier and reducing the amount of energy you use.

Electricity and gas prices have risen steeply in recent years but you can cut your bills by using the following tips:

COMPARE YOUR ENERGY COMPANY FOR PRICE
If you have never changed energy supplier, you could save hundreds of pounds per year by moving to a new company. Compare prices at www.uswitch.com or phone uswitch on 0800 404 7908.

PAY BY THE CHEAPEST METHOD
You could save a lot of money by switching from quarterly payments to monthly direct debit and possibly more if you switch to an online account. Remember: Pre-paid meters are the most expensive way to pay for your gas and electric.

REGULATE YOUR TEMPERATURE
It is important to keep warm in winter but turning your thermostat down by 1°C could reduce your heating bills by up to 10%. You could save around £30 per year. Set your hot water thermostat at 60°C / 140°F – this is fine for bathing and washing.

PUT ON MORE CLOTHES!
Probably the simplest and cheapest way to keep warm is to layer your clothing. Lots of thin layers will keep you warmer than one bulky jumper.

PLUG UP THE GAPS
If you think your doors and windows are draughty, contact our maintenance department for advice.

DON’T STANDBY, SWITCH OFF!
To cut down on wasted energy, avoid leaving appliances on standby but please check the user manual first.

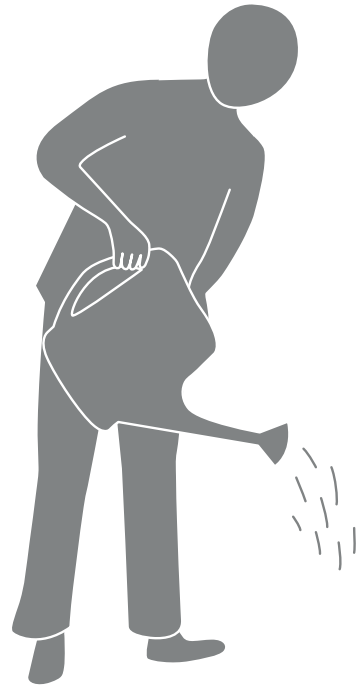
HALF EMPTY OR HALF FULL
Only fill the kettle with the amount of water you need. However for washing machines, tumbledriers and dishwashers, always aim for a full load if you can’t use a half-load or economy programme and use a low temperature programme.

CHANGE YOUR LIGHT BULBS
Invest in some energy saving light bulbs. Energy efficient light bulbs last 12 times longer and for each bulb you fit you can save up to £9 on your annual electricity bill. Watch out for free energy saving light bulb offers.

WATER CONSERVATION

How much does your water cost you? All our new properties are fitted with water meters so the more water you use the more it costs. Saving water not only helps the environment but it can also help to cut your water bill, if you are on a water meter (see our section on water bills). Here are some tips to help you save:

- installing a water meter can save you money by monitoring how much you use. See our section on water billing to decide whether a water meter would be good for you
- a dripping tap could waste as much as 90 litres a week or 52 baths per year. If you have a dripping tap report it to our plumbing and heating contractor who will sort it out as soon as possible
- do not brush your teeth with the tap running as it wastes almost 9 litres a minute. Rinse out from a tumbler instead
- don't use your washing machine until you've got a full load. Very 'water efficient' washing machines and dishwashers are now manufactured. Machines with 'A' ratings are the most economical and save on energy too
- if you boil an egg save the cooled water for your houseplants as it contains excellent nutrients!
- fit a water saving device in your cistern and save up to three litres a flush. Get a Hippo Bag to put in your cistern from Welsh Water on 0800 052 0145
- grow your grass a little longer. It will stay greener than a close mown lawn and need less watering
- just taking a five minute shower every day, instead of a bath, will use a third of the water. You can buy timers for the shower online for a few pounds and some DIY shops supply them for free. Children love using them!
- kettles should be filled with enough water for your needs but not to the brim. This will reduce your fuel bills too
- once a week is all the watering your lawn needs even in the hottest weather. Over-watering can weaken your lawn by encouraging roots to seek the surface
- purchasing a water butt will help you to collect rain water for use on the garden. You can buy these at garden centres and most local authorities offer very competitive prices for water butts and compost bins
- sprinklers can be wasteful. It doesn't take long for a sprinkler to soak your lawn thoroughly. A sprinkler can use as much water in an hour as a family of four will use in a day!
- use the dirty water when cleaning a fish tank for your houseplants. It's rich in nitrogen and phosphorus, which provides an excellent fertiliser



MANAGING YOUR FINANCES

SAVINGS ACCOUNTS

Putting money away for a rainy day can help cushion the blow in a financial emergency, for example, if the washing machine breaks down or the MOT is due. You could save a few pounds each week in a bank, post office, or your local credit union. For security, put the money into your savings account immediately rather than keeping money in your home. Saving money will reduce the need to borrow and will stop you paying interest on loans.

CREDIT UNIONS

A credit union is a co-operative which allows members to pool their savings and borrow money. Members can also help to run the credit union. It's a great way for the whole family to save and you need only save a few pounds each week.

To join a credit union you must share a 'common bond' with other members such as; living or working in the same area, working for the same employer, or belonging to the same trade union, church or other association. Only one member of the family need have a common bond. Credit unions offer savings and loan accounts and some offer:

- free life or loan protection insurance
- travel, motor and home insurance
- cash based Child Trust Fund accounts
- ISAs (Individual Savings Accounts)
- funeral plans
- mortgages
- current accounts
- budgeting
- debt management

Not all credit unions offer the same products. Ask your area office, local council or Citizens Advice Bureau for your nearest credit union.

Association of British Credit Unions Ltd (ABCUL)
www.abcul.coop
Tel: 0161 832 3694

BORROWING MONEY

If you are thinking about borrowing money for an emergency, make sure you explore all of your options before signing an agreement. You should never borrow money that you can't afford to pay back and completing an income and expenditure form will help you calculate how much money you have left over, after your usual expenditure.

Before deciding to borrow money to make a purchase, ask yourself whether you could do without the item until you have saved up enough money to buy it outright. You could also ask family or friends for their second hand items or even check the websites mentioned in 'How to save money on the internet' for used free items.

If you borrow money, look carefully at interest rates and the total amount you will be expected to repay; you might think that repaying a loan at a few pounds per week is a good deal until you see the actual amount you must pay back. Some types of borrowing are far more expensive than others. You should always avoid companies which charge high interest and have a reputation for poor lending and recovery practices.

CAN YOU AFFORD TO BORROW?

Here are examples of the interest rates you might expect to pay to different types of lenders.

As you can see, interest rates can vary greatly so if you borrow money, you should always make sure you know exactly how much you will repay in total. You should also make sure you can afford the monthly repayments by completing a budgeting form see our 'Basic Budgeting booklet'. If you do not have enough money available to repay your loan, you risk falling into debt with essential items, like your rent or Council Tax, which can have serious consequences.

	Amount of Loan	Typical APR	Number of weeks	Weekly repayment	Total Repayable	Total interest payable
Illegal Lender High-cost	£300	1,000%	52	£57.50	£3000.32	£2,700.32
Credit Provider	£300	246.50%	52	£17	£884	£584
Doorstep	£300	177%	55	£9	£495	£195
Credit Union	£300	26.80%	52	£6.55	£340.44	£40.44

Figures as at January 2008

APPLYING FOR CREDIT

If you apply for credit, most companies will run a 'credit check' to make sure you do not have a bad payment history. You can also access your credit history by contacting a credit reference agency such as Experian or Equifax, details of which can be found at the back of this booklet. Here are the types of credit you might encounter.

CREDIT SALE

This is the most common type of credit agreement. You are the legal owner of the goods as soon as the contract is made and the goods cannot be returned if you change your mind. You will pay in instalments. Credit sale agreements are now more common than hire purchase agreements and it is important not to confuse the two.

If you fail to keep up with payments the supplier can take court action to recover the money owed and your credit reference will be adversely affected. If you subsequently fail to make payments as ordered by the County Court, bailiffs may be instructed to seize goods from your home.

HIRE PURCHASE (HP)

With this type of agreement you are hiring goods until you pay the final instalment, which means that you will not own the goods until then. You can end the agreement and return the goods at any time but you will owe any overdue payments and, if less than half of the total price has been paid, you may also have to pay the difference.

If you fail to keep up with payments the company may be able to repossess the goods through a court order.

CONDITIONAL SALE

This type of agreement is similar to an HP agreement and usually includes the condition that the goods do not belong to you until you have paid the final instalment.

If you fail to keep up with payments the company which has made the loan (the lender) may be able to repossess the goods through a court order.

AGREEMENTS WITH A FINANCE COMPANY

The shop or firm arranges a loan from a finance company for the purchase of a specific item, for example, a washing machine or car, or paying for goods and services such as double glazing or utilities.

If you fail to keep up with payments the lender, or finance company can take court action to recover the money owed and your credit reference will be adversely affected. If you subsequently fail to make payments as ordered by the County Court, bailiffs may be instructed to seize goods from your home.

MAIL ORDER

Mail order shopping is usually arranged through a catalogue and is normally interest free, however, goods bought in this way may be more expensive. You pay the price of the purchase in instalments. You can return goods within seven7 days of receipt.

If you fail to keep up with payments the company may take court action to recover the money owed and your credit reference will be adversely affected. If you subsequently fail to make payments as ordered by the County Court, bailiffs may be instructed to seize goods from your home.

CREDIT AND CHARGE CARDS

You will get a monthly statement saying how much you owe and the minimum monthly payment. The difference between a charge card and a credit card is that the amount borrowed on a charge card must be repaid in full at the end of the month. Interest is not charged on the amount but you may have to pay an annual fee for the card.

If you fail to keep up with payments the company may take action which could result in court action and an adverse credit reference which could prevent you from getting credit in the future. You could ultimately have your possessions seized by bailiffs.

DOORSTEP LENDERS

Doorstep sellers must be licensed to sell credit outside trade premises. Interest on doorstep loans can be extremely high compared to other types of loans. It is a criminal offence to try to make a cash loan outside trade premises unless the visit is made to your home in response to a written

> *"failure to keep up with payments could result in court action"*

and signed request or unless you have borrowed from them before. This means that a doorstep lender cannot just knock on your door and offer to lend you money without prior arrangement. Any agreement that is improperly made may not be enforceable. However if the doorstep lender has never dealt with you before they may offer you vouchers instead of cash, if you accept the loan they can offer cash in the future.

Failure to keep up with payments could result in court action and an adverse credit reference which could prevent you from getting credit in the future. You could ultimately have your possessions seized by bailiffs.

SLOT METER TELEVISIONS

Some doorstep lenders offer slot meter televisions as a way of paying for household items. This type of credit is aimed at people who cannot get credit elsewhere. Prices are sometimes four times more expensive than high street retailers and the interest rates are as high as 42.8% APR. If you run out of coins or cannot afford to pay, the television will cut out and will not work again until you have inserted more coins. Your television will turn off if you do not make payments into the coin meter.

BILL OF SALE

A bill of sale is a way of raising money by 'mortgaging' personal property, usually a car. The item remains in the possession of the borrower but ownership is transferred to the lender.

If you fail to keep up with payments, your property (i.e. the car) can be repossessed. You should seek immediate advice if you think you have entered into a bill; get the paperwork checked by a debt adviser, details of which can be found at the end of this booklet.

WARNING: LOAN SHARKS AND ILLEGAL MONEY LENDERS

Illegal money lenders lend when nobody else will, but with very high interest rates. Borrowers may find it difficult to keep up the repayments. You might be forced to get a second loan to pay up. Lenders may turn very nasty if you fall behind with your payments. They prey on vulnerable people like lone parents or the unemployed. They may force you to hand over Social Security Benefit Claim Books as security against loans.

If you know of a loan shark in your area contact your area office or phone the Illegal Money Lending hotline on 0300 123 3311 in complete confidence.

USEFUL CONTACTS

CREDIT REFERENCE AGENCIES
EXPERIAN
PO BOX 7710
Nottingham, NG80 7WE
www.experian.co.uk
customerservice@creditexpert.co.uk
Tel: 0800 656 9000 / 0115 9344272
(Mon-Fri 9am-6pm, Sat 9am-1pm)

EQUIFAX CREDIT FILE ADVICE CENTRE
P.O. Box 1140
Bradford, BD1 5US
www.uk.equifax.com

CREDIT UNION
Association of British
Credit Unions Ltd (ABCUL)
www.abcul.org
Tel: 0161 832 3694

CITIZENS ADVICE BUREAU
www.adviceguide.org.uk

FINANCIAL SERVICES AUTHORITY
Financial Watchdog
www.moneymadeclear.fsa.gov.uk

Shelter Cymru

QUERIES

If you have any queries, comments or need any further information please contact us by telephone, in person, by post or via our website:

Hafod Housing Association
St Hilary Court, Copthorne Way
Culverhouse Cross, Cardiff CF5 6ES

Tel: 02920 675800
E-mail: enquiries@hafod.org.uk
Web: www.hafod.org.uk